

CERTIFICATION OF ENROLLMENT

**ENGROSSED SUBSTITUTE HOUSE BILL 3178**

Chapter 282, Laws of 2010

(partial veto)

61st Legislature  
2010 Regular Session

STATE GOVERNMENT--EFFICIENCIES IN TECHNOLOGY

EFFECTIVE DATE: 06/10/10

Passed by the House March 11, 2010  
Yeas 94 Nays 3

FRANK CHOPP

\_\_\_\_\_  
**Speaker of the House of Representatives**

Passed by the Senate March 10, 2010  
Yeas 47 Nays 0

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Approved April 1, 2010, 2:57 p.m., with  
the exception of Sections 5, 13, 14, and  
15 which are vetoed.

CHRISTINE GREGOIRE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of  
the House of Representatives of  
the State of Washington, do hereby  
certify that the attached is  
**ENGROSSED SUBSTITUTE HOUSE BILL  
3178** as passed by the House of  
Representatives and the Senate on  
the dates hereon set forth.

BARBARA BAKER

\_\_\_\_\_  
**Chief Clerk**

FILED

April 2, 2010

**Secretary of State  
State of Washington**

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**ENGROSSED SUBSTITUTE HOUSE BILL 3178**

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AS AMENDED BY THE SENATE

Passed Legislature - 2010 Regular Session

**State of Washington                      61st Legislature                      2010 Regular Session**

**By** House Ways & Means (originally sponsored by Representatives Carlyle, Anderson, Hunter, Rolfes, Eddy, Takko, Probst, Wallace, Maxwell, Van De Wege, Kelley, Green, Sullivan, Hudgins, Hope, Morrell, Springer, Ericks, Hunt, Goodman, Jacks, and Finn)

READ FIRST TIME 03/01/10.

1            AN ACT Relating to creating efficiencies in the use of technology  
2 in state government; amending RCW 43.88.560, 43.105.041, 43.105.180,  
3 and 43.105.160; adding new sections to chapter 43.105 RCW; adding a new  
4 section to chapter 43.88 RCW; adding a new section to chapter 2.68 RCW;  
5 adding a new section to chapter 44.68 RCW; creating new sections;  
6 repealing RCW 43.105.017; and providing an expiration date.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8            NEW SECTION.    **Sec. 1.** A new section is added to chapter 43.105 RCW  
9 to read as follows:

10            (1) The legislature finds that the provision of information  
11 technology in state government lacks strategic coordination,  
12 transparency, and meaningful enterprise-wide direction and oversight.  
13 It is no longer economically sustainable or technically feasible for  
14 state agencies to obtain and provide large-scale, commonly utilized  
15 information technology products and services on an individual, agency-  
16 by-agency basis without coordination. Instead, the state needs a  
17 strong, enterprise-based information technology strategy to ensure the  
18 public's needs are being met and the state is receiving the highest  
19 quality information technology products and services at the best price

1 from public or private providers. Developing a strong enterprise-wide  
2 strategy also includes establishing clear lines of authority and  
3 accountability within state agencies so that those services unique to  
4 individual agencies receive the support required to effectively and  
5 efficiently provide services to citizens. To accomplish these  
6 objectives, the state needs to develop an open, transparent process for  
7 determining the total cost of ownership for the information technology  
8 products and services it provides, and to provide such information in  
9 an easily accessible, public fashion. It is in the state's interest to  
10 ensure that the wide range of disparate networks, systems, services,  
11 and structures across state government become more closely coordinated,  
12 organized, and structured. This type of coordinating effort is already  
13 underway in the area of higher education through the efforts of the  
14 higher education technology transformation task force and informally  
15 within other areas. When more transparent technical and financial  
16 information is readily available, the state can make sound policy  
17 decisions about what information technology services should be provided  
18 centrally on a shared services basis, and what products and services  
19 may be best suited for either contracting with private providers or for  
20 maintenance at the agency level. Furthermore, if attractive pricing  
21 models and service level agreements are developed for enterprise-based  
22 information technology services, the legislative and judicial branches  
23 will have an incentive to participate in those services as well.

24 (2) It is the intent of the legislature to organize, consolidate,  
25 and, where appropriate, contract with private providers for technology  
26 systems and resources in a strategic fashion that is based upon sound,  
27 objective, nonpolitical, and independent technical and financial  
28 criteria. The state needs to develop a clear, enterprise-based  
29 statewide strategy for information technology to ensure that there is  
30 transparency and accountability regarding how information technology  
31 resources are being allocated, how decisions are being made, and who is  
32 accountable for on-time, on-budget delivery.

33 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.105 RCW  
34 to read as follows:

35 (1) State agencies that are purchasing wireless devices or services  
36 must make such purchases through the state master contract, unless the  
37 state agency provides to the office of financial management evidence

1 that the state agency is securing its wireless devices or services from  
2 another source for a lower cost than through participation in the state  
3 master contract.

4 (2) For the purposes of this section, "state agency" means any  
5 office, department, board, commission, or other unit of state  
6 government, but does not include a unit of state government headed by  
7 a statewide elected official, an institution of higher education as  
8 defined in RCW 28B.10.016, the higher education coordinating board, the  
9 state board for community and technical colleges, or agencies of the  
10 legislative or judicial branches of state government.

11 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.88 RCW  
12 to read as follows:

13 (1) As part of the biennial budget process, the office of financial  
14 management shall collect from agencies, and agencies shall provide,  
15 information to produce reports, summaries, and budget detail sufficient  
16 to allow review, analysis, and documentation of all current and  
17 proposed expenditures for information technology by state agencies.  
18 Information technology budget detail must be included as part of the  
19 budget submittal documentation required pursuant to RCW 43.88.030.

20 (2) The office of financial management must collect, and present as  
21 part of the biennial budget documentation, information for all existing  
22 information technology projects as defined by information services  
23 board policy. The office of financial management must work with the  
24 department of information services to maximize the ability to draw this  
25 information from the information technology portfolio management data  
26 collected by the department of information services pursuant to RCW  
27 43.105.170. Connecting project information collected through the  
28 portfolio management process with financial data developed under  
29 subsection (1) of this section provides transparency regarding  
30 expenditure data for existing technology projects.

31 (3) The biennial budget documentation submitted by the office of  
32 financial management pursuant to RCW 43.88.030 must include an  
33 information technology plan identifying proposed large information  
34 technology projects. This plan must be presented using a method  
35 similar to the capital budget, identifying project costs through stages  
36 of the project and across fiscal periods and biennia from project  
37 initiation to implementation. This information must be submitted

1 electronically, in a format to be determined by the office of financial  
2 management and the legislative evaluation and accountability program  
3 committee.

4 (4) The office of financial management shall also institute a  
5 method of accounting for information technology-related expenditures,  
6 including creating common definitions for what constitutes an  
7 information technology investment.

8 **Sec. 4.** RCW 43.88.560 and 1992 c 20 s 7 are each amended to read  
9 as follows:

10 The director of financial management shall establish policies and  
11 standards governing the funding of major information technology  
12 projects as required under RCW 43.105.190(2). The director of  
13 financial management shall also direct the collection of additional  
14 information on information technology projects and submit an  
15 information technology plan as required under section 3 of this act.

16 **\*Sec. 5.** RCW 43.105.041 and 2009 c 486 s 13 are each amended to  
17 read as follows:

18 (1) *The board shall have the following powers and duties related to*  
19 *information services:*

20 (a) *To develop standards and procedures governing the acquisition*  
21 *and disposition of equipment, proprietary software and purchased*  
22 *services, licensing of the radio spectrum by or on behalf of state*  
23 *agencies, and confidentiality of computerized data. The board shall*  
24 *coordinate with the office of financial management to develop*  
25 *contracting standards for information technology acquisition and*  
26 *purchased services and must work with state agencies to ensure*  
27 *deployment of standardized contracts;*

28 (b) *To purchase, lease, rent, or otherwise acquire, dispose of, and*  
29 *maintain equipment, proprietary software, and purchased services, or to*  
30 *delegate to other agencies and institutions of state government, under*  
31 *appropriate standards, the authority to purchase, lease, rent, or*  
32 *otherwise acquire, dispose of, and maintain equipment, proprietary*  
33 *software, and purchased services: PROVIDED, That, agencies and*  
34 *institutions of state government are expressly prohibited from*  
35 *acquiring or disposing of equipment, proprietary software, and*  
36 *purchased services without such delegation of authority. The*

1 acquisition and disposition of equipment, proprietary software, and  
2 purchased services is exempt from RCW 43.19.1919 and, as provided in  
3 RCW 43.19.1901, from the provisions of RCW 43.19.190 through 43.19.200,  
4 except that the board, the department, and state agencies, as  
5 delegated, must post notices of technology procurement bids on the  
6 state's common vendor registration and bid notification system. This  
7 subsection (1)(b) does not apply to the legislative branch;

8 (c) To develop statewide or interagency technical policies,  
9 standards, and procedures;

10 (d) To review and approve standards and common specifications for  
11 new or expanded telecommunications networks proposed by agencies,  
12 public postsecondary education institutions, educational service  
13 districts, or statewide or regional providers of K-12 information  
14 technology services, and to assure the cost-effective development and  
15 incremental implementation of a statewide video telecommunications  
16 system to serve: Public schools; educational service districts;  
17 vocational-technical institutes; community colleges; colleges and  
18 universities; state and local government; and the general public  
19 through public affairs programming;

20 (e) To provide direction concerning strategic planning goals and  
21 objectives for the state. The board shall seek input from the  
22 legislature and the judiciary;

23 (f) To develop and implement a process for the resolution of  
24 appeals by:

25 (i) Vendors concerning the conduct of an acquisition process by an  
26 agency or the department; or

27 (ii) A customer agency concerning the provision of services by the  
28 department or by other state agency providers;

29 (g) To establish policies for the periodic review by the department  
30 of agency performance which may include but are not limited to analysis  
31 of:

32 (i) Planning, management, control, and use of information services;

33 (ii) Training and education; and

34 (iii) Project management;

35 (h) To set its meeting schedules and convene at scheduled times, or  
36 meet at the request of a majority of its members, the chair, or the  
37 director;

1 (i) To review and approve that portion of the ((department's))  
2 budget ((requests)) that ((provides-for)) may provide independent,  
3 technical staff support to the board; and

4 (j) To develop procurement policies and procedures, such as  
5 unbundled contracting and subcontracting, that encourage and facilitate  
6 the purchase of products and services by state agencies and  
7 institutions from Washington small businesses to the maximum extent  
8 practicable and consistent with international trade agreement  
9 commitments.

10 (2) Statewide technical standards to promote and facilitate  
11 electronic information sharing and access are an essential component of  
12 acceptable and reliable public access service and complement content-  
13 related standards designed to meet those goals. The board shall:

14 (a) Establish technical standards to facilitate electronic access  
15 to government information and interoperability of information systems,  
16 including wireless communications systems. Local governments are  
17 strongly encouraged to follow the standards established by the board;  
18 and

19 (b) Require agencies to consider electronic public access needs  
20 when planning new information systems or major upgrades of systems.

21 In developing these standards, the board is encouraged to include  
22 the state library, state archives, and appropriate representatives of  
23 state and local government.

24 (3)(a) The board, in consultation with the K-20 board, has the duty  
25 to govern, operate, and oversee the technical design, implementation,  
26 and operation of the K-20 network including, but not limited to, the  
27 following duties: Establishment and implementation of K-20 network  
28 technical policy, including technical standards and conditions of use;  
29 review and approval of network design; procurement of shared network  
30 services and equipment; and resolving user/provider disputes concerning  
31 technical matters. The board shall delegate general operational and  
32 technical oversight to the K-20 network technical steering committee as  
33 appropriate.

34 (b) The board has the authority to adopt rules under chapter 34.05  
35 RCW to implement the provisions regarding the technical operations and  
36 conditions of use of the K-20 network.

37 (4) The board shall review all information technology efforts under  
38 its purview based on independent technical and financial information,

1 regardless of whether the projects or services are being provided by  
2 public or private providers. This review must be conducted by  
3 independent, technical staff support, subject to funds appropriated for  
4 this specific purpose.

5 (5) In reviewing these efforts, the board, in consultation with the  
6 office of financial management, shall review state agency information  
7 technology budgets. The board may acquire project management  
8 assistance to assist in its efforts under this act.

\*Sec. 5 was vetoed. See message at end of chapter.

9 **Sec. 6.** RCW 43.105.180 and 1999 c 80 s 11 are each amended to read  
10 as follows:

11 ~~((Upon request of the office of financial management,))~~ (1) The  
12 department, in coordination with the information services board and the  
13 office of financial management, shall evaluate agency budget requests  
14 for major information technology projects identified under RCW  
15 43.105.190, including those proposed by the superintendent of public  
16 instruction, in conjunction with educational service districts, or  
17 statewide or regional providers of K-12 education information  
18 technology services. The department shall submit recommendations for  
19 funding all or part of such requests to the office of financial  
20 management and to the chairs, ranking minority members, and staff  
21 coordinators of the appropriations committees of the senate and house  
22 of representatives. The department shall also submit recommendations  
23 regarding consolidation of similar proposals or other efficiencies it  
24 finds in reviewing proposals.

25 (2) The department, with the advice and approval of the office of  
26 financial management and the information services board, shall  
27 establish criteria, consistent with portfolio-based information  
28 technology management, for the evaluation of agency budget requests  
29 under this section. These budget requests shall be made in the context  
30 of an agency's information technology portfolio; technology initiatives  
31 underlying budget requests are subject to board review. Criteria shall  
32 include, but not be limited to: Feasibility of the proposed projects,  
33 consistency with the state strategic information technology plan,  
34 consistency with information technology portfolios, appropriate  
35 provision for public electronic access to information, evidence of  
36 business process streamlining and gathering of business and technical  
37 requirements, and services, costs, and benefits.

1       (3) For the purposes of this section, "state agency" includes every  
2 state office, department, division, bureau, board, commission, or other  
3 state agency, including offices headed by a statewide elected official.

4       **NEW SECTION. Sec. 7.** A new section is added to chapter 2.68 RCW  
5 to read as follows:

6       The administrative office of the courts, under the direction of the  
7 judicial information system committee, shall:

8       (1) Develop a judicial information system information technology  
9 portfolio consistent with the provisions of RCW 43.105.172;

10       (2) Participate in the development of an enterprise-based statewide  
11 information technology strategy as defined in section 10 of this act;

12       (3) Ensure the judicial information system information technology  
13 portfolio is organized and structured to clearly indicate participation  
14 in and use of enterprise-wide information technology strategies;

15       (4) As part of the biennial budget process, submit the judicial  
16 information system information technology portfolio to the chair and  
17 ranking member of the ways and means committees of the house of  
18 representatives and the senate, the office of financial management, and  
19 the department of information services.

20       **NEW SECTION. Sec. 8.** A new section is added to chapter 44.68 RCW  
21 to read as follows:

22       The legislative service center, under the direction of the joint  
23 legislative systems committee and the joint legislative systems  
24 administrative committee, shall:

25       (1) Develop a legislative information technology portfolio  
26 consistent with the provisions of RCW 43.105.172;

27       (2) Participate in the development of an enterprise-based statewide  
28 information technology strategy as defined in section 10 of this act;

29       (3) Ensure the legislative information technology portfolio is  
30 organized and structured to clearly indicate participation in and use  
31 of enterprise-wide information technology strategies;

32       (4) As part of the biennial budget process, submit the legislative  
33 information technology portfolio to the chair and ranking member of the  
34 ways and means committees of the house of representatives and the  
35 senate, the office of financial management, and the department of  
36 information services.

1       **Sec. 9.** RCW 43.105.160 and 2005 c 319 s 110 are each amended to  
2 read as follows:

3       (1) The department shall prepare a state strategic information  
4 technology plan which shall establish a statewide mission, goals, and  
5 objectives for the use of information technology, including goals for  
6 electronic access to government records, information, and services.  
7 The plan shall be developed in accordance with the standards and  
8 policies established by the board and shall be submitted to the board  
9 for review, modification as necessary, and approval. The department  
10 shall seek the advice of the board in the development of this plan.

11       The plan approved under this section shall be updated as necessary  
12 and submitted to the governor and the chairs and ranking minority  
13 members of the appropriations committees of the senate and the house of  
14 representatives.

15       (2) The department shall prepare a biennial state performance  
16 report on information technology based on agency performance reports  
17 required under RCW 43.105.170 and other information deemed appropriate  
18 by the department. The report shall include, but not be limited to:

19       (a) An analysis, based upon agency portfolios, of the state's  
20 information technology infrastructure, including its value, condition,  
21 and capacity;

22       (b) An evaluation of performance relating to information  
23 technology;

24       (c) An assessment of progress made toward implementing the state  
25 strategic information technology plan, including progress toward  
26 electronic access to public information and enabling citizens to have  
27 two-way access to public records, information, and services;

28       (d) An analysis of the success or failure, feasibility, progress,  
29 costs, and timeliness of implementation of major information technology  
30 projects under RCW 43.105.190. At a minimum, the portion of the report  
31 regarding major technology projects must include:

32       (i) Final total cost of ownership budget data for the entire life-  
33 cycle of the project, including capital and operational costs, broken  
34 down by staffing costs, contracted service, hardware purchase or lease,  
35 software purchase or lease, travel, and training. The original budget  
36 must also be shown for comparison;

37       (ii) The original proposed project schedule and the final actual  
38 project schedule;

1 (iii) Data regarding progress towards meeting the original goals  
2 and performance measures of the project, particularly as it relates to  
3 operating budget savings;

4 (iv) Discussion of lessons learned on the project, performance of  
5 any contractors used, and reasons for project delays or cost increases;  
6 and

7 ~~((e))~~ (v) Identification of benefits, cost avoidance, and cost  
8 savings generated by major information technology projects developed  
9 under RCW 43.105.190; and

10 ~~((f))~~ (e) An inventory of state information services, equipment,  
11 and proprietary software.

12 Copies of the report shall be distributed biennially to the  
13 governor and the chairs and ranking minority members of the  
14 appropriations committees of the senate and the house of  
15 representatives. The major technology section of the report must  
16 examine major information technology projects completed in the previous  
17 biennium to determine the performance of the implementing agency, cost  
18 and value effectiveness, and timeliness and other performance metrics  
19 necessary to assess the quality and value of the investment. The  
20 report must also examine projects two years after completion for  
21 progress toward meeting performance goals and operating budget savings.  
22 The first report is due December 15, 2011, and every two years  
23 thereafter.

24 NEW SECTION. Sec. 10. A new section is added to chapter 43.105  
25 RCW to read as follows:

26 (1) The board, in consultation with the department and the office  
27 of financial management, shall develop an enterprise-based strategy for  
28 information technology in state government informed by information  
29 technology expenditure information collected from state agencies  
30 pursuant to section 3 of this act.

31 (2) In developing an enterprise-based strategy for the state, the  
32 board is encouraged to consider the following strategies as possible  
33 opportunities for achieving greater efficiency:

34 (a) Developing personal computer replacement policies for the  
35 state, with consideration given to alternative models of personal  
36 computer usage for state government use, such as thin client, software

1 as a service, browser-based functionality, mobile computing, and other  
2 models that are less dependent upon traditional computing;

3 (b) Pursuing shared services initiatives across functional areas,  
4 which may include services such as e-mail, telephony, and data storage;

5 (c) Pursuing pilot programs, such as a pilot to demonstrate the  
6 value of application management services, to identify opportunities to  
7 achieve operational efficiencies;

8 (d) Developing data storage policies and record retention  
9 requirements and schedules for state agencies, in consultation with the  
10 office of the secretary of state, the state archivist, and the state  
11 records committee, where appropriate;

12 (e) Reviewing existing software maintenance contracts to identify  
13 opportunities to renegotiate the price of those contracts or the level  
14 of service; and

15 (f) Partnering with private providers for commonly utilized  
16 information technology products and services.

17 (3) The legislative and judicial branches are encouraged to  
18 coordinate with, and participate in, shared services initiatives, pilot  
19 programs, and development of the enterprise-based strategy, where  
20 appropriate.

21 NEW SECTION. **Sec. 11.** (1) The office of financial management,  
22 with the assistance of the department of information services, must  
23 identify areas of potential savings that will achieve the savings  
24 identified in the omnibus appropriations act. These areas shall  
25 include, but not be limited to, wireless service, telephony, desktop  
26 computers, electronic mail services, and data storage.

27 (2) The office of financial management shall work with the  
28 appropriate state agencies, including the department of information  
29 services, to generate savings that arise pursuant to this act from the  
30 improved acquisition and delivery of information technology products  
31 and services. To accomplish this objective, state agencies must  
32 provide timely, accurate total cost of ownership data to the office of  
33 financial management upon request regarding information technology  
34 products and services. The savings must be at least equal to those  
35 specified in the omnibus appropriations act. The office of financial  
36 management shall reduce agency allotments by the amounts specified in

1 the omnibus appropriations act to reflect these savings. The allotment  
2 reductions shall be placed in unallotted status and remain unexpended.

3 (3) For the purposes of this section, "state agency" means any  
4 office, department, board, commission, or other unit of state  
5 government, but does not include a unit of state government headed by  
6 a statewide elected official, an institution of higher education as  
7 defined in RCW 28B.10.016, the higher education coordinating board, the  
8 state board for community and technical colleges, or agencies of the  
9 legislative or judicial branches of state government.

10 (4) This section expires June 30, 2011.

11 NEW SECTION. **Sec. 12.** A new section is added to chapter 43.105  
12 RCW to read as follows:

13 (1) The department, in collaboration with state agencies, shall  
14 conduct an inventory from existing data sets of information technology  
15 assets owned or leased by state agencies. This inventory must be used  
16 to inform the development of a state information technology asset  
17 management process. Prior to implementation of any state information  
18 technology asset management process, the department must submit its  
19 recommended approach, including an estimate of the associated  
20 implementation costs, to the board for approval.

21 (2) For the purposes of this section, "state agency" includes every  
22 state office, department, division, bureau, board, commission, or other  
23 state agency, including offices headed by a statewide elected official,  
24 and offices in the legislative and judicial branches of state  
25 government, notwithstanding the provisions of RCW 44.68.105.

26 ***\*NEW SECTION. Sec. 13. (1) The office of financial management, in***  
27 ***consultation with the department of information services and the***  
28 ***information services board, shall develop and execute a pilot program***  
29 ***to contract with one or more private providers for the delivery,***  
30 ***support, maintenance, and operation of information technology through***  
31 ***application managed services or other similar programs across one or***  
32 ***more functional areas of information technology, or for the information***  
33 ***technology needs of one or more state agencies. In selecting a private***  
34 ***provider for the pilot program, the office of financial management must***  
35 ***engage in a competitive bid process or request for proposals process.***

1           (2) The objective of the pilot program will be to assess: (a) Each  
2 agency's information technology application portfolio; (b)  
3 opportunities to use best practices and tools; and (c) whether the  
4 agency should proceed with application managed services or other  
5 similar programs based on the results of the assessment.

6           (3) The department of information services and the office of  
7 financial management shall prepare a report of the findings of the  
8 pilot assessments by September 1, 2010, and a final report of the pilot  
9 results by June 30, 2011. The final report must include the following:  
10 Identification of short and long-term costs, risks, benefits, and other  
11 organizational impacts of implementing application managed services or  
12 other similar programs within the pilot agencies. The final report  
13 must also identify opportunities for other state agencies to benefit  
14 from application managed services or other similar programs. The  
15 results of the pilot program must be provided to the information  
16 services board, the governor, the senate committee on ways and means,  
17 and the house of representatives committee on ways and means.

*\*Sec. 13 was vetoed. See message at end of chapter.*

18           \*NEW SECTION. Sec. 14. The department of information services  
19 shall, by November 1, 2010, report on the efforts to develop a  
20 centralized information project management office pursuant to section  
21 142, chapter 522, Laws of 2007. The report shall address the current  
22 status of the effort, lessons learned, and recommended changes to the  
23 program.

*\*Sec. 14 was vetoed. See message at end of chapter.*

24           \*NEW SECTION. Sec. 15. (1) The office of financial management  
25 shall contract with an independent consultant to:

26           (a) Conduct a technical and financial analysis of the state's plan  
27 for the consolidated state data center and office building; and

28           (b) Develop a strategic business plan outlining the various options  
29 for use of the site that maximize taxpayer value consistent with the  
30 terms of the finance lease and related agreements.

31           (2) The analysis must consist of, at a minimum, an assessment of  
32 the following issues:

33           (a) The total capital and operational costs for the proposed data  
34 center and office building;

35           (b) The occupancy rate for the consolidated state data center, as

1 compared to total capacity, that will result in revenue exceeding total  
2 capital and operating expenses;

3 (c) The potential reallocation of resources that could result from  
4 the consolidation of state data centers and office space; and

5 (d) The potential return on investment for the consolidated state  
6 data center and office building that may be realized without impairing  
7 any existing contractual rights under the terms of the financing lease  
8 and related agreements.

9 (3) This review must build upon the analysis and migration strategy  
10 for the consolidated state data center being prepared for the  
11 department of information services.

12 (4) The strategic plan must be submitted to the governor and the  
13 legislature by December 1, 2010.

*\*Sec. 15 was vetoed. See message at end of chapter.*

14 NEW SECTION. **Sec. 16.** (1) The department of information services  
15 and the office of financial management shall review existing statutes,  
16 procedures, data, and organizational structures to identify  
17 opportunities to increase efficiency, customer service, and  
18 transparency in information technology. This effort shall include:

19 (a) Identifying and addressing financial data needed to  
20 comprehensively evaluate information technology spending from an  
21 enterprise perspective;

22 (b) A review of best practices in information technology  
23 governance, including private sector practices and lessons learned from  
24 other states; and

25 (c) A review of existing statutes regarding information technology  
26 governance, standards, and financing to identify inconsistencies  
27 between current law and best practices.

28 (2) The department of information services and the office of  
29 financial management shall report findings and recommendations to the  
30 governor and the appropriate committees of the legislature by December  
31 1, 2010.

32 NEW SECTION. **Sec. 17.** RCW 43.105.017 (Legislative intent) and  
33 1992 c 20 s 6, 1990 c 208 s 2, & 1987 c 504 s 2 are each repealed.

34 NEW SECTION. **Sec. 18.** If specific funding for the purposes of

1 this act, referencing this act by bill or chapter number, is not  
2 provided by June 30, 2010, in the omnibus appropriations act, this act  
3 is null and void.

Passed by the House March 11, 2010.

Passed by the Senate March 10, 2010.

Approved by the Governor April 1, 2010, with the exception of  
certain items that were vetoed.

Filed in Office of Secretary of State April 2, 2010.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Sections 5, 13, 14  
and 15, Engrossed Substitute House Bill 3178 entitled:

"AN ACT Relating to creating efficiencies in the use of technology  
in state government."

Section 5 requires the Information Services Board to develop  
standardized contracts and to review state agency information  
technology budgets. I am vetoing Section 5 because the Department of  
Information Services already has the authority to standardize its  
contracts and has already implemented many standardized contracts.  
In developing a statewide enterprise-based information technology  
strategy, the Office of Financial Management and Department of  
Information Services can determine if additional contract  
standardization is required. In addition, it is premature to vest  
additional authority and staff in the Information Services Board prior  
to the information technology governance review called for in Section  
16 of this bill. Finally, no funding was provided to implement these  
subsections.

Section 13 requires the Office of Financial Management to develop and  
execute a pilot program to contract with private providers for the  
delivery, support, maintenance, and operation of information  
technology projects and report on the findings. I am vetoing this  
section because funding has not been provided for this purpose in the  
omnibus appropriations act and the Office of Financial Management  
cannot absorb the cost.

Section 14 requires the Department of Information Services to report  
on the efforts to develop a centralized project management office by  
November 1, 2010. I am vetoing this section because it codifies a  
requirement for the Department to produce a one-time report on the  
status of the establishment of a Centralized Information Technology  
Project Management Office that was funded as part of the 2007  
Supplemental Budget. The Department has already completed the report  
and will submit it to the Legislature.

Section 15 requires the Office of Financial Management to contract  
with an independent consultant to conduct a technical and financial  
analysis of the state's plan for the Consolidated State Data Center  
and Office Building and to develop a business plan outlining the  
various options for use of the site. I am vetoing this section  
because funding was not provided for this purpose in the omnibus  
appropriations act and the Office of Financial Management cannot  
absorb the cost.

For these reasons, I have vetoed Sections 5, 13, 14 and 15 of  
Engrossed Substitute House Bill 3178.

With the exception of Sections 5, 13, 14 and 15, Engrossed Substitute  
House Bill 3178 is approved."